

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

STEPHEN SULLIVAN, WHITE OAK FUND LP,
CALIFORNIA STATE TEACHERS'
RETIREMENT SYSTEMS, SONTERRA
CAPITAL MASTER FUND, LTD., FRONTPOINT
PARTNERS TRADING FUND, L.P. AND
FRONTPOINT AUSTRALIAN OPPORTUNITIES
TRUST on behalf of themselves and all others
similarly situated,

Docket No. 13-cv-02811 (PKC)

ECF Case

Plaintiffs,

v.

BARCLAYS PLC, et al.,

Defendants.

DECLARATION OF GAVIN A. FRANCIS

I, Gavin A. Francis, declare and state as follows under penalty of perjury:

1. I am Deputy Group Chief Accounting Officer for HSBC Holdings plc, the parent company of HSBC Bank plc, as well as many other entities.

2. In my capacity as Deputy Group Chief Accounting Officer, I have personal knowledge of the matters set forth herein and believe them to be true and correct based on: (a) my work for HSBC Holdings plc, and (b) my review, or someone else's review at my direction, of relevant business records.

3. As set forth in HSBC Holdings plc's Annual Report and Accounts 2014, available at <http://www.hsbc.com/investor-relations/financial-and-regulatory-reports> (Note 11 on the Financial Statements, "Segmental Analysis), in 2014, approximately 44% of HSBC Holdings plc's external net operating income (before loan impairment charges and other credit risk provisions), attributable to countries on the basis of the location of the subsidiary or branch

responsible for reporting the results or advancing the funds, was derived from the United Kingdom and Hong Kong. Approximately 91% of HSBC Holdings plc's external net operating income (before loan impairment charges and other credit risk provisions) was derived from outside of the United States in 2014. Through June 30, 2015, 88% of HSBC Holdings plc's external net operating income was derived from outside of North America. *See* HSBC Holdings plc's Interim Report 2015, available at <http://www.hsbc.com/investor-relations/financial-and-regulatory-reports> (Note 5 on the Financial Statements, "Segmental Analysis").

4. As set forth in HSBC Bank plc's Annual Report and Accounts 2014, available at https://www.hsbc.co.uk/1/PA_esf-ca-app-content/content/pws/content/personal/pdfs/hbeu-2014-ara-final-online.pdf (Note 10 on the Financial Statements, "Segment Analysis"), in 2014, approximately 74% of HSBC Bank plc's external net operating income (before loan impairment charges and other credit risk provisions), attributed to countries on the basis of customer location, was derived from the United Kingdom. Only approximately 3.9% of HSBC Bank plc's external net operating income (before loan impairment charges and other credit risk provisions) was attributable to "Other countries" (countries other than the United Kingdom, France, Switzerland, Germany, and Turkey), including the United States in 2014. This is consistent with 2013 numbers, which indicate 3.5% of HSBC Bank plc's external net operating income was attributable to "Other countries" (countries other than the United Kingdom, France, Switzerland, Germany, and Turkey), including the United States. *See id.* HSBC Bank plc does not expect any material change in the percentage of its external net operating income attributable to "Other countries," including the United States, in 2015.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Executed in London, on October 12, 2015.
U.K.



GAVIN A. FRANCIS
Deputy Group Chief Accounting Officer
HSBC Holdings plc